



# *News Release*

## **PRESS OFFICE**

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**Release Date:** November 11, 2009

**Release Number:** 09-78

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## **Statement from Administrator Mills on Continuing Support for Small Businesses through SBA Recovery Programs**

**WASHINGTON** – SBA issued the following statement today from Administrator Karen Mills regarding efforts to ensure continued funding for two key provisions in the American Reinvestment and Recovery Act (ARRA) of 2009:

“Over the course of the last few months, the Obama Administration has announced several steps to ensure the continued recovery of small businesses, including our commitment to working with Congress to increase maximum loan sizes for the 7(a), 504 and microloan programs and plans to make access to capital from government lending programs easier for small banks in communities across the country.

“As anticipated, the \$375 million ARRA appropriation for raising SBA’s 7(a) loan guarantee to 90 percent and reducing fees on both its 7(a) and 504 loan programs will last into December. Given the impact these provisions have had in getting much-needed capital in the hands of small businesses, the SBA and others in the Obama Administration are working closely with Congress to obtain funding to continue both provisions through the authorization period for the 90 percent guarantee, which ends one year from the date of ARRA being signed.

“At the same time, SBA is finalizing plans for the overall transition for when these ARRA provisions for the 7(a) and 504 loan programs end. SBA is communicating with its lending partners on this process and will work to ensure every remaining dollar possible is made available to help small businesses drive economic recovery across the country.

“These two key ARRA provisions have helped engineer a significant turnaround in SBA lending. With the \$375 million appropriation for these two provisions, SBA has supported more than \$14 billion in lending to small businesses across the country and seen its average weekly loan volume increase by more than 75 percent since February. All told, these steps have saved and benefitted many businesses and jobs during these tough economic times. However, we know there is still more work to be done and we will continue our efforts to keep America’s small businesses on a path to recovery and long term success.”

### SBA’s ARRA Programs:

SBA received \$730 million in ARRA to support economic recovery programs for small businesses. Included in the appropriation was \$375 million to support raising the government guarantee to 90 percent on SBA’s 7(a) loans and reducing some lender and borrower fees on its 7(a) and 504 loans, the agency’s two largest lending programs. Additionally, among other provisions, the appropriation included \$255 million for the creation of the SBA’s America’s Recovery Capital (ARC) loan program and \$30 million to expand its Microloan program.

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SBA's 7(a) and 504 ARRA Transition Plan:

SBA is finalizing the plan for transitioning its 7(a) and 504 programs back to their pre-ARRA terms and communicating those plans with its lending partners. This plan, when implemented, will include a Recovery Loan Queue to go into effect on the transition date. Sometimes previously approved loans are later cancelled or never disbursed for a variety of reasons. The queue takes this into account and beginning on the transition date will allow eligible small businesses, in consultation with their lender, to choose to be placed in the queue for possible approval for an ARRA loan if funding becomes available. Small business owners will have transparent access to the queue via [www.sba.gov](http://www.sba.gov) and will be able to remove themselves from the queue at any time to be considered for a non-ARRA SBA loan.

To learn more about SBA's ARRA programs and other resources for small businesses, please visit [www.sba.gov](http://www.sba.gov).

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